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## **Inland Empire's affordability takes a steep drop**

**The region is still growing rapidly, but wages aren't catching up to home prices.**

By Jean Guccione

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Once a haven for first-time homeowners priced out of the Los Angeles County and Orange County markets, the Inland Empire is itself fast becoming less affordable, according to a study by the Southern California Assn. of Governments released Thursday.

The percentage of households able to afford a median-priced home in Riverside and San Bernardino counties dropped from 48% in 2001 to 18% last year, as the median price for an Inland Empire home increased from \$157,000 to \$374,000 during the same period, the study found.

On a positive note, homeownership in Riverside County reached 70%, a higher percentage than the national average.

Still, people continue to flock to the Inland Empire, an area that represents about half the population growth, job creation and new housing in the six-county region that also includes Los Angeles, Orange, Ventura and Imperial.

"What you are seeing is the Inland Empire coming of age," said Riverside Mayor Ron Loveridge, who led the SCAG task force that rated the region's employment, income, housing, mobility, air quality, education and safety.

As part of the growth process, the two-county area is beginning to suffer some of the same problems as its coastal neighbors, such as increased traffic congestion.

Overall, Southern California — whose 18.2 million residents represent 6% of the nation's population — got a mixed performance review: The region created thousands of jobs last year but payrolls declined slightly compared with 2004.

On the other hand, the higher cost of living, driven by increased housing and energy costs, helped stabilize the region's air pollution and what one SCAG official called its "intolerable" traffic congestion.

While population growth in Southern California has been slowing, the number of people moving to Riverside, San Bernardino and Imperial counties continued to grow by up to three times the national rate, the SCAG study shows.

Nearly half of the 222,000 people who moved to Southern California last year chose to live in the Inland Empire, according to the annual assessment. Riverside County alone welcomed 65,000 new residents, increasing its population by 3.4%.

Loveridge compared his region's growth to the boom that hit Orange County and the San Fernando Valley years ago. "You try to learn lessons," he said, "but there are clearly market forces and social forces that help shape what takes place."

New residents are moving to Riverside and San Bernardino counties from elsewhere in the United States, the study showed, bucking a larger regional migration trend.

Last year, 24,000 more people left Southern California to live and work in other parts of the United States than moved here, according to SCAG statistics.

Regional officials suggested that that turnaround could reflect Southern California's cost of living, including high housing prices. The region last year registered a near-record-low mark in housing affordability, the report found. Still, it has not dampened the region's housing construction boom.

More than 91,000 residential building permits were issued in Southern California last year — the second-highest number in more than a decade, SCAG officials said.

Almost 40% were for mostly single-family homes in Riverside, San Bernardino and Imperial counties.

Los Angeles County Supervisor Yvonne Burke, who chairs the SCAG board, said the high number of building permits showed that counties were "doing a better job" of trying to meet the region's ever-growing housing demands.

"But unfortunately," she added, "the gains we made on the availability side were offset by a nearly record low level of affordability in 2005."

With more people moving into the Inland Empire, local officials said they were trying to attract more jobs, especially those with major national corporations.

Last year, almost half of the 120,000 jobs created in Southern California were in the Inland Empire, making it the region's leading job generator, the study said.

Riverside and San Bernardino counties lost fewer manufacturing jobs than Los Angeles County, according to the study. Most of the region's job growth last year was in retail, construction and professional and business services.

"We would love to keep our people in the Inland Empire so they don't have to create congestion," said San Bernardino County Supervisor Gary Ovitt, who also serves as SCAG's first vice president.

Although the Los Angeles-Orange County area remained the nation's most congested, the Inland Empire is gaining fast.

It ranked seventh among the nation's major metropolitan areas.

Population and employment growth in the Inland Empire is responsible for increased freeway congestion.

Riverside County residents experience the region's longest travel time to work, at 32 minutes, according to SCAG estimates.

Commutes also are getting longer in San Bernardino, where the average trip increased from 28.8 minutes to 30.7 minutes.

Meanwhile, travel time to work has actually decreased slightly in Los Angeles and Orange County, as rail lines are built and freeways expanded. Still, commuters in Los Angeles and Orange County experienced a total of 93 hours of delay in 2003, the highest among the nation's major metropolitan areas.

Slightly more commuters were carpooling to work in Southern California — home to 14 million vehicles and 11 million licensed drivers, the SCAG study found.

Meanwhile, drive-alone commuting decreased a little, probably because of higher gas prices.

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(INFOBOX BELOW)

*Growth in the Empire*

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*Nearly half of the 222,000 people who moved to Southern California last year chose to live in the Inland Empire, according to a new report. Those same counties, Riverside and San Bernardino, also were responsible for almost half the region's job growth in 2005.*

*Population*

*(In thousands)*

County				Percent
	2003	2004	2005	increase 2004-05
Imperial	157	162	167	3.1%
Los Angeles	10,089	10,166	10,246	0.8%
Orange	3,020	3,047	3,072	0.8%
Riverside	1,808	1,888	1,953	3.4%
San Bernardino	804	811	817	0.8%
Ventura	1,898	1,951	1,992	2.1%
Region*	17,775	18,025	18,247	1.2%
California	36,245	36,728	37,172	1.2%
United States	292,303	295,108	297,821	0.9%

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*Employment*

*(In thousands)*

County				Percent
	2003	2004	2005	increase 2004-05
Imperial	52	51	54	5.7%
Los Angeles	3,991	4,004	4,024	0.5%
Orange	1,436	1,463	1,496	2.2%

Riverside/San Bern.	1,120	1,179	1,235	4.8%
Ventura	304	307	314	2.2%
Region*	6,903	7,004	7,124	1.7%
California	14,770	14,909	15,139	1.5%
United States	129,999	131,435	133,463	1.5%

*\*Includes Imperial, Los Angeles, Orange, Riverside, San Bernardino and Ventura counties*

*Source: Southern California Assn. of Governments*